



SANDRA SHEWRY  
Director

State of California—Health and Human Services Agency  
**Department of Health Services**



ARNOLD SCHWARZENEGGER  
Governor

January 12, 2007

Dear Interested Parties:

**HEALTH CARE OPTIONS PROGRAM REQUEST FOR PROPOSAL (RFP) 06-55000  
ADMINISTRATIVE BULLETIN 2, ADDENDUM 2**

Administrative Bulletin Number 2, Addendum 2 issued by the California Department of Health Services (CDHS), Office of Medi-Cal Procurement (OMCP), announces changes to the Request for Proposal (RFP) for the Health Care Options Program. CDHS provides notification to interested parties of the following:

The enclosure (Addendum 2) incorporates changes to the RFP; it includes changes to:

- The Data Library Index (Appendix 2) has been updated; additional documents have been added.
- An updated Exhibit G, Travel Reimbursement Information is enclosed to replace the original Exhibit G as released with the RFP dated December 21, 2006.

These changes are being made to clarify sections in the RFP. Within the text of the documents, changes are indicated as an underline and a strikethrough to denote revisions.

In order to configure the Internet and CD version of the RFP to accurately reflect the current requirements and considerations, remove the existing pages and insert the appropriate replacement pages. The website for the electronic version is [www.dhs.ca.gov/omcp](http://www.dhs.ca.gov/omcp).

**ONLINE AND CD VERSION**

To update the RFP, use the instructions in the following chart. Any changes made to the RFP are published as replacement pages as the RFP.

REMOVE EXISTING PAGES	REPLACEMENT PAGES
Health Care Options Data Library Index, page 1 of 8	Health Care Options Data Library Index, page 1 of 8.

REMOVE EXISTING PAGES	REPLACEMENT PAGES
	2005 HCO Letters added 1/12/07.
Health Care Options Data Library Index, page 6 of 8	Health Care Options Data Library Index, page 6 of 8.  Business Requirements – Secure Web Site has been added to the HCO Data Library.
Health Care Options Data Library Index, page 7 of 8	Health Care Options Data Library Index, page 7 of 8.  Modified title INVOICE RECEIPTS to INVOICES AND INVOICE RECEIPTS to accurately reflect content.  File Q-3028 of the Maximus Policies and Procedures Manuals has been replaced with updated version.
Exhibit G, Travel Reimbursement Information	Exhibit G, Travel Reimbursement Information.  This entire Exhibit was revised (dated 1/07).

Proposers have five (5) working days from the issue of this transmittal to the postmark date of the proposers' response to submit any objections to the Addendum or Proposers' questions to the address below:

RFP 06-55000 Q & A  
Attn: Karissa Kanenaga or Ramonda Ramos  
CA Department of Health Services  
Office of Medi-Cal Procurement, Mail Station 4200  
Health Care Options Program  
P.O. Box 997413  
Sacramento, CA 95899-7413

Sincerely,

Original signed by *Donna Martinez*

Donna Martinez, Chief  
Office of Medi-Cal Procurement

Enclosures

HEALTH CARE OPTIONS PROGRAM DATA LIBRARY INDEX					APPENDIX 2
TITLE	FORMAT	DESCRIPTION	DATE ADDED	DATE UPDATED	COMMENTS
MAXIMUS TECHNICAL PROPOSAL – PRICE PROPOSALS	CD	The document that presents a complete description of the current Contractor's plans to meet the requirements of HCO RFP/Contract #01-15932, including price proposals.	5/19/06		Within RFP #06-55000, this item is referred to as the NARRATIVE PROPOSAL.
MAXIMUS CONTRACT #01-15932	CD	The written, fully executed agreement between MAXIMUS and CDHS to operate the California Health Care Options Program for the State.	5/19/06		
MAXIMUS AMENDMENTS TO CONTRACT #01-15932	CD	Amendments A01 through A04 to the MAXIMUS Contract executed subsequent to the current Contract.	12/3/06		
H LETTERS	CD	The written letter from CDHS to the Contractor that serves as formal communication and provides directions and/or instructions from CDHS to the Contractor regarding approvals, policies, procedures, and/or other changes to the HCO Program.	5/19/06		
DHS HCO LETTERS	CD	The formal written letter from the Contractor communicating with CDHS in acknowledging and/or implementing directives regarding approvals, policies, procedures, and/or other changes to the HCO Program. These also serve as transmittal letters from the Contractor providing CDHS with contract deliverables in categories such as Records Retention and Retrieval, SDN Deliverables, various Reports, the Problem Correction System, Change Orders, etc.	12/5/06	<a href="#">2005 HCO Letters updated: 1/12/07</a>	

HEALTH CARE OPTIONS PROGRAM DATA LIBRARY INDEX					APPENDIX 2
TITLE	FORMAT	DESCRIPTION	DATE ADDED	DATE UPDATED	COMMENTS
<a href="#">BUSINESS REQUIREMENTS – SECURE WEB SITE</a>	<a href="#">CD</a>	<a href="#">The business requirements which outline the various functions within HCO in its support of medical and dental managed care programs related to various SECURE WEB SITE.</a>	<a href="#">1/12/07</a>		
PROBLEM STATEMENTS	CD	The State-approved Problem Statements/forms, including supporting data, with which the Contractor receives and processes Problem Statements issued by the State, the Contractor, Managed Care Plan staff, or other entities designated by the State which document potential problems related to the Contractor not meeting contractual obligations.	12/5/06		
PROBLEM STATEMENT REPORTS	CD	The monthly and weekly reports provided to the State by the Contractor which provide details of issues related to potential problems in addition to issues related to the Contractor not meeting contractual obligations.	5/19/06		
SYSTEM DEVELOPMENT NOTICES (SDN)	CD	CDHS-generated documents utilized to notify the Contractor of system changes that require programming alterations and development activities to be performed by the Contractor's Systems Group (SG).	5/19/06		
PROGRAM ALERTS	CD	Samples of Program Alerts issued by the Contractor advising Contractor and HCO staff of the implementation of programmatic changes.	5/19/06		
EMERGENCY DISENROLLMENT-MEDICAL EXEMPTION REPORTS	CD	The monthly reports provided by the Contractor to the State that detail all emergency disenrollments and medical exemptions received by the Contractor and approved by the State.	5/19/06		

**HEALTH CARE OPTIONS PROGRAM  
DATA LIBRARY INDEX**

**APPENDIX 2**

TITLE	FORMAT	DESCRIPTION	DATE ADDED	DATE UPDATED	COMMENTS
EXEMPTION REQUEST REPORTS	CD	The monthly reports provided by the Contractor to the State that detail all exemptions to health plan enrollment requests received by the Contractor.	5/19/06		
ACCEPTED EXEMPTION REPORTS	CD	The monthly reports provided by the Contractor to the State which details all exemptions to health plan requests that were approved by the State.	5/19/06		
MANDATORY ELIGIBLES REPORTS	CD	The monthly reports provided by the Contractor to the State reflecting the status of the numbers of beneficiaries in mandatory aid codes eligible to receive medical/dental enrollment mailings.	5/19/06		
INVOICES AND INVOICE RECEIPTS	CD	The written documentation from the Contractor of providing monthly invoices for payment to the State.	5/19/06		
MAXIMUS POLICIES AND PROCEDURES MANUALS	CD	The Contractor's manuals that outline their State-approved policies and procedures that are used to perform contractual requirements of the HCO Program within various operational areas (e.g. Telephone Call Center, Records Retention, Research, Financial Management, Quality Assurance, Facilities Management, etc.).	5/19/06	<a href="#">Q-3028 updated: 1/12/07</a>	
HCO FINANCIAL MANAGEMENT MANUAL	CD	The current HCO Financial Management Manual developed by the current Contractor including updates issued since its initial development.	12/5/06		

**Travel Reimbursement Information**  
**(Mileage Reimbursement Rate Increase Effective January 1, 2007)**

1. The following rate policy is to be applied for reimbursing the travel expenses of persons under contract. The terms "contract" and/or "subcontract" have the same meaning as "grantee" and/or "subgrantee" where applicable.
  - a. Reimbursement for travel and/or per diem shall be at the rates established for nonrepresented/excluded state employees. Exceptions to Department of Personnel Administration (DPA) lodging rates may be approved by CDHS upon the receipt of a statement on/with an invoice indicating that such rates are not available.
  - b. Short Term Travel is defined as a 24-hour period, and less than 31 consecutive days, and is at least 50 miles from the main office, headquarters or primary residence. Starting time is whenever a contract or subcontract employee leaves his or her home or headquarters. "Headquarters" is defined as the place where the contracted personnel spends the largest portion of their working time and returns to upon the completion of assignments. Headquarters may be individually established for each traveler and approved verbally or in writing by the program funding the agreement. Verbal approval shall be followed up in writing or email.
  - c. Contractors on travel status for more than one 24-hour period and less than 31 consecutive days may claim a fractional part of a period of more than 24 hours. Consult the chart appearing on Page 2 of this exhibit to determine the reimbursement allowance. All lodging reimbursement claims must be supported by a receipt\*. If a contractor does not or cannot present receipts, lodging expenses will not be reimbursed.

(1) Lodging (with receipts\*):

Travel Location / Area	Reimbursement Rate
Statewide (excluding the counties identified below)	\$ 84.00 plus tax
Counties of Los Angeles and San Diego	\$110.00 plus tax
Counties of Alameda, San Francisco, San Mateo, and Santa Clara	\$140.00 plus tax

Reimbursement for actual lodging expenses that exceed the above amounts may be allowed with the advance approval of the Deputy Director of the *California* Department of Health Service or his or her designee. Receipts are required.

\*Receipts from Internet lodging reservation services such as Priceline.com which require prepayment for that service, ARE NOT ACCEPTABLE LODGING RECEIPTS and are not reimbursable without a valid lodging receipt from a lodging establishment.

- (2) Meal/Supplemental Expenses (with or without receipts): With receipts, the contractor will be reimbursed actual amounts spent up to the maximum for each full 24-hour period of travel.

Meal / Expense	Reimbursement Rate
Breakfast	\$ 6.00
Lunch	\$ 10.00
Dinner	\$ 18.00
Incidental expenses	\$ 6.00

- d. Out-of-state travel may only be reimbursed if such travel is necessitated by the scope or statement of work and has been approved in advance by the program with which the contract is held. For out-of-state travel, contractors may be reimbursed actual lodging expenses, supported by a receipt, and may be reimbursed for meals and supplemental expenses for each 24-hour period computed at the rates listed in c. (2) above. For all out-of-state travel, contractors/subcontractors must have prior CDHS written or verbal approval. Verbal approval shall be confirmed in writing (email or memo).
- e. In computing allowances for continuous periods of travel of less than 24 hours, consult the chart appearing on Page 2 of this exhibit.
- f. No meal or lodging expenses will be reimbursed for any period of travel that occurs within normal working hours, unless expenses are incurred at least 50 miles from headquarters.

2. If any of the reimbursement rates stated herein is changed by DPA, no formal contract amendment will be required to incorporate the new rates. However, CDHS shall inform the contractor, in writing, of the revised travel reimbursement rates and the applicable effective date of any rate change.

At CDHS' discretion, changes or revisions made by CDHS to this exhibit, excluding travel reimbursement policies established by DPA may be applied retroactively to any agreement to which a Travel Reimbursement Information exhibit is attached, incorporated by reference, or applied by CDHS program policy. Changes to the travel reimbursement rates stated herein may not be applied earlier than the date a rate change was approved by DPA.

3. For transportation expenses, the contractor must retain receipts for parking; taxi, airline, bus, or rail tickets; car rental; or any other travel receipts pertaining to each trip for attachment to an invoice as substantiation for reimbursement. Reimbursement may be requested for commercial carrier fares; private car mileage; parking fees; bridge tolls; taxi, bus, or streetcar fares; and auto rental fees when substantiated by a receipt.
4. **Note on use of autos:** If a contractor uses his/her or a company car for transportation, the rate of reimbursement will be **48.5 cents** maximum per mile. If a contractor uses his/her or a company car "in lieu of" airfare, the air coach fare will be the maximum paid by the State. The contractor must provide a cost comparison upon request by the State. Gasoline and routine automobile repair expenses are not reimbursable.
5. The contractor is required to furnish details surrounding each period of travel. Travel expense reimbursement detail may include, but not be limited to: purpose of travel, departure and return times, destination points, miles driven, mode of transportation, etc. Reimbursement for travel expenses may be withheld pending receipt of adequate travel documentation.
6. Contractors are to consult with the program with which the contract is held to obtain specific invoicing procedures.

#### Per Diem Reimbursement Guide

Length of travel period	This condition exists...	Allowable Meal(s)
Less than 24 hours	Travel begins at 6:00 a.m. or earlier and continues until 9:00 a.m. or later.	Breakfast
Less than 24 hours	<ul style="list-style-type: none"> <li>Travel period ends at least one hour after the regularly scheduled workday ends, or</li> <li>Travel period begins prior to or at 4:00 p.m. and continues beyond 7:00 p.m.</li> </ul>	Dinner
24 hours	Travel period is a full 24-hour period determined by the time that the travel period begins and ends.	Breakfast, lunch, and dinner
Last fractional part of more than 24 hours	Travel period is more than 24 hours and traveler returns at or after 8:00 a.m.	Breakfast
	Travel period is more than 24 hours and traveler returns at or after 2:00 p.m.	Lunch
	Travel period is more than 24 hours and traveler returns at or after 7:00 p.m.	Dinner